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FEED GRAIN MARKETING IN ALBERTA
PRODUCERS' PERCEPTIONS

Prepared for: Minister of Agriculture
Government of Alberta

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INTRODUCTION AND OBJECTIVES

This report presents a summary of the findings of a survey commissioned by Alberta Agriculture and by Alberta Grain Commission on behalf of the Minister of Agriculture, Government of Alberta. The Minister of State of the Canadian Wheat Board is currently reviewing information relevant to Canada's feed grain policy. The purpose of this survey was to collect statistically reliable information from Alberta producers on the subject of feed grain marketing.

The specific objectives of the study were as follows:

- To measure producers' level of awareness of feed grain marketing issues.
- To identify feed grain sellers' current markets for feed grain.
- To identify feed grain purchasers' current sources for feed grain.
- To assess producers' attitudes towards certain changes which could be made in the feed grain marketing system.
- To identify producers' perceptions of Alberta Government's position with respect to feed grain marketing.
- To identify producers' information needs with respect to feed grain marketing.

EXECUTIVE SUMMARY

Concern and Awareness of Feed Grain Marketing Issues

The price of grain is an important concern among Alberta producers and price is also an important piece of information used by producers when planning their crop mix. Last year, over 80 percent of producers grew feed grain, so feed grain marketing, especially its impact on prices, is an important concern among Alberta producers.

We asked producers whether or not they felt informed about eight different grain marketing issues.

Most producers felt informed on only two issues:

- "The marketing system for domestic feed grains." (59% informed, 40% uninformed).
- "The effects of the current grain marketing system on livestock production in the west." (54% informed, 45% uninformed).

Producers tended to feel more informed about various issues if they:

- lived in the Southern or South Central regions of the province.
- sold over \$100,000 of agricultural products last year.
- grew over 250 acres of feed grain last year.
- sold over 10,000 bushels of feed grain last year.
- had livestock that consumed over 10,000 bushels of feed last year.
- had over 100 head of beef cattle.

It should be noted that among the above groups of producers, even if a majority felt informed on a particular issue there was still at least a third of the group who felt uninformed on that issue.

Sellers' Current Markets

Among the producers who sold feed grain, two-thirds sold Board grain to elevators; 25 percent sold non-Board grain to elevators; 24 percent sold to other farmers or feedlots and 16 percent sold to feedmills. Seventy-six percent were satisfied with their number of sales options for selling feed grain and 56 percent felt there was competition in the prices offered among buyers. In regions where producers felt they had fewer different places to sell their grain (eg. Peace region), satisfaction with their number of sales options tended to be lower and the less likely they were to feel that their prices were competitive.

Buyers' Current Markets

Only 18 percent of Alberta producers purchased feed grain last year. The two major markets for purchase of feed grain were other farmers and feedmills. Eighty-one percent of purchasers felt satisfied with their number of options for purchasing feed grain and 56 percent felt there was enough competition in the prices.

Attitudes Towards Changes in the Feed Grain Marketing System

When producers were asked for their preferences regarding a marketing system for export feed grain:

- 60 percent preferred "to have a marketing system with both the Wheat Board and private grain companies and co-operatives allowed to buy and sell feed grain for the export market";
- 28 percent preferred "to have the Wheat Board continue as the sole agency responsible for buying and selling feed grain for export markets" and;
- 6 percent preferred "to have all export feed grain sales on the open market with no Canadian Wheat Board involvement".

Regarding a marketing system for export wheat:

- 53 percent preferred "to have a marketing system with both the Wheat Board and private grain companies and co-operatives allowed to buy and sell wheat for the export market";
- 36 percent preferred "to have the Wheat Board continue as the sole agency responsible for buying and selling wheat for export markets" and;
- 5 percent preferred "to have all export wheat sales on the open market with no Canadian Wheat Board involvement".

Their preferences towards a marketing system for feed grain for domestic use were as follows:

- 58 percent preferred "a continuation of the current marketing system for domestic feed grains, with the Wheat Board, private grain companies, individuals, and co-operatives involved";
- 23 percent preferred "to have all domestic sales on an open market basis with no Canadian Wheat Board involvement" and;
- 11 percent preferred "to have the Wheat Board assume complete responsibility for all domestic feed grain marketing".

In summary, the majority of Alberta producers preferred a dual marketing system for both export feed grain and export wheat and to maintain the current system for marketing feed grain for domestic use.

When asked if they favored or opposed certain specific changes which could be made in the feed grain marketing system the majority favored the following:

- Allocating more producer cars for the shipment of feed grain (66% in favor);
- The Canadian Wheat Board's experimental program for contracting directly with farmers for export feed barley (60% in favor);
- Relaxing quotas on Board feed grain deliveries (58% in favor);
- Not maintaining the current system of subsidized freight rates for feed grains shipped to livestock producers in British Columbia, Quebec and the Maritimes (55% in favor);

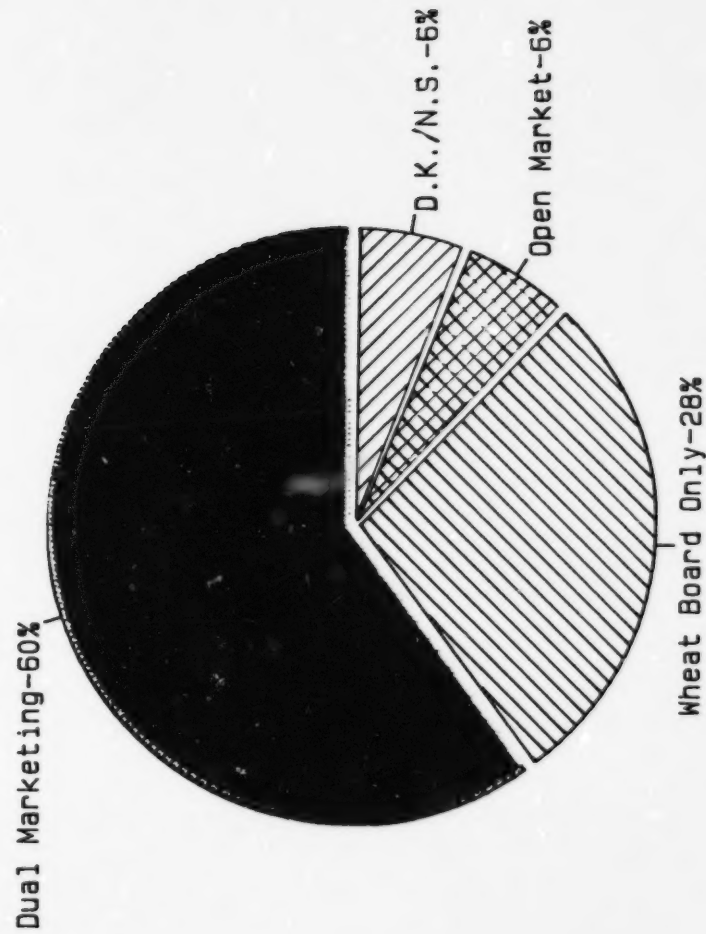
- Relaxing quotas on non-Board feed grain deliveries (54% in favor);
- Allowing farmers to buy and sell feed grain directly in export markets for example in the United States (53% in favor):
- Relaxing Canadian Wheat Board control to allow private grain companies and co-operatives to buy and sell feed grain directly in export markets (50% in favor, 32% opposed) and;
- Abolishing the "Corn Competitive Price Formula" which the Wheat Board uses to determine the price at which it will sell feed grain on the domestic market (41% in favor; 20% opposed).

Fifty-two percent of producers were opposed to "increasing government measures which regulate the flow of feed grain in the domestic market".

Perceptions of the Alberta Government's Position on Feed Grain Marketing

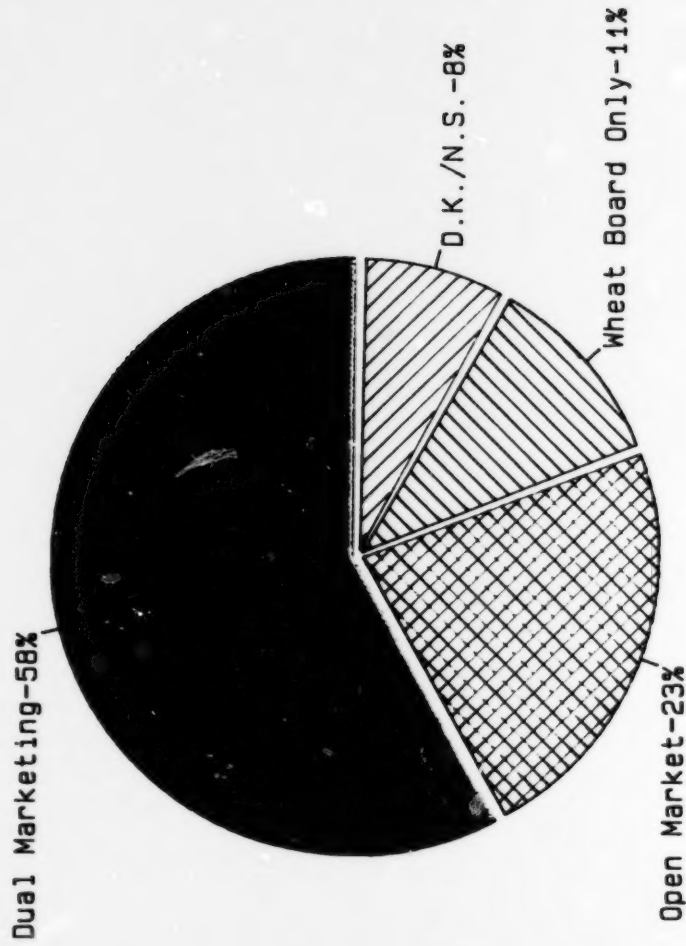
Producers' perceptions regarding the Alberta government's position on these issues demonstrated that the Alberta Government was perceived, in general, to support a position which closely matches that of the majority of producers. It should be noted however, that most producers either did not know or did not state an opinion regarding Alberta Government's position on these issues.

PREFERENCE TOWARDS MARKETING OF EXPORT FEED GRAIN (N=602)



Source: Angus Reid Associates
Alberta Feed Grain Study
September, 1985

PREFERENCE TOWARDS MARKETING OF FEED GRAIN FOR DOMESTIC USE (N=602)



Source: Angus Reid Associates
Alberta Feed Grain Study
September, 1985